

of Spain and allowed the issue of notes to three times the amount of the capital. This privilege was not impaired when the Congress of the United States authorized the bank to change its name to Bank of Porto Rico and convert its capital into United States currency, which was made the currency of the Islands.<sup>1</sup> The capital of the bank was then fixed at \$750,000, and the actual circulation does not exceed this amount. The assets of the bank on June 30, 1907, were \$2,671,327, but were exceeded by those of the Colonial Bank of Porto Rico, which were \$3,831,582.<sup>2</sup> The total resources of all Porto Rican banks in 1908 were \$10,417,624, of which \$5,940,587 was due depositors.

#### Banking in Central America.

Costa Rica had from 1884 to 1902 only one bank of issue, founded as the Bank of the Union. Under a contract made by the government in 1884, the bank changed its name to Bank of Costa Rica, and was given the right to issue notes to double the amount of its capital against a coin reserve of twenty-five per cent. The contract did not specify whether the reserve should be of gold or silver, but the bank, by paying silver and making no effort to sustain exchange, permitted the monetary system to descend gradually to the silver basis. The government took measures in 1896 to return to the gold basis, and finally in 1900 persuaded the bank, which, had so grossly abused its trust, to renounce its monopoly of note issue.<sup>3</sup> The country now has three banks of issue,—the Bank of Costa Rica, with a capital of 2,000,000 colons (\$900,000) ; the Anglo-Costa Rican Bank, 1,200,000 colons ; and the Commercial Bank of Costa Rica, 1,000,000 colons. These banks are required to hold a reserve equal to fifty per cent, of circulation. The notes outstanding on March 31, 1907, were for the Bank of Costa Rica, 1,994,000 colons ; the Anglo-Costa Rican Bank, 1,200,000 colons; and the Commercial Bank, 1,000,000 colons.,

<sup>1</sup> Public Resolution No. 32, approved June 6, 1900.

<sup>2</sup> Report of the Comptroller of the Currency, SQO? 420.

<sup>3</sup> Le Marche Financier en 1902-03^ 984.